

IC 20-5.5-3

Chapter 3. Establishment

IC 20-5.5-3-1

Sponsor may grant charter

Sec. 1. A sponsor may grant a charter to an organizer to operate a charter school under this article.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-2

Sponsor may not grant charter

Sec. 2. A sponsor may not grant a charter to a for-profit organizer.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-3 Repealed

(Repealed by P.L.1-2002, SEC.169.)

IC 20-5.5-3-3.1

Organizer's dissolution; disposition of remaining assets and funds

Sec. 3.1. The organizer's constitution, charter, articles, or bylaws must contain a clause that provides that upon dissolution:

- (1) all remaining assets, except funds specified in subsection (2), shall be used for nonprofit educational purposes; and
- (2) remaining funds received from the department shall be returned to the department not more than thirty (30) days after dissolution.

As added by P.L.1-2002, SEC.78.

IC 20-5.5-3-3.2

Proposal to establish charter school; required contents

Sec. 3.2. (a) An organizer may submit to the sponsor a proposal to establish a charter school.

(b) A proposal must contain at least the following information:

- (1) Identification of the organizer.
- (2) A description of the organizer's organizational structure and governance plan.
- (3) The following information for the proposed charter school:
 - (A) Name.
 - (B) Purposes.
 - (C) Governance structure.
 - (D) Management structure.
 - (E) Educational mission goals.
 - (F) Curriculum and instructional methods.
 - (G) Methods of pupil assessment.
 - (H) Admission policy and criteria, subject to IC 20-5.5-5.
 - (I) School calendar.
 - (J) Age or grade range of pupils to be enrolled.
 - (K) A description of staff responsibilities.
 - (L) A description and the address of the physical plant.
 - (M) Budget and financial plans.

- (N) Personnel plan, including methods for selection, retention, and compensation of employees.
- (O) Transportation plan.
- (P) Discipline program.
- (Q) Plan for compliance with any applicable desegregation order.
- (R) The date when the charter school is expected to:
 - (i) begin school operations; and
 - (ii) have students in attendance at the charter school.
- (S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.
- (4) The manner in which an annual audit of the program operations of the charter school is to be conducted by the sponsor.
- (c) This section does not waive, limit, or modify the provisions of:
 - (1) IC 20-7.5 in a charter school where the teachers have chosen to organize under IC 20-7.5; or
 - (2) an existing collective bargaining agreement for noncertificated employees (as defined in IC 20-7.5-1-2.).

As added by P.L.1-2002, SEC.79.

IC 20-5.5-3-4

Sponsor must receive approval of legislative body

Sec. 4. This subsection applies only to a sponsor that is the executive of a consolidated city. Before issuing a charter, the sponsor must receive the approval of a majority of the members of the legislative body (as defined in IC 36-1-2-9) of the consolidated city for the establishment of a charter school. The sponsor may issue charters for charter schools located within the consolidated city.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-5

Provision for noncharter school

Sec. 5. (a) Except as provided in subsection (b), if a governing body grants a charter to establish a charter school, the governing body must provide a noncharter school that students of the same age or grade levels may attend.

(b) The department may waive the requirement that a governing body provide a noncharter school under subsection (a) upon the request of the governing body.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-6

Revocation of charter

Sec. 6. The sponsor may revoke the charter of a charter school that does not, by the date specified in the charter:

- (1) begin school operations; and
- (2) have students in attendance at the charter school.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-7**Approval of department required**

Sec. 7. Before granting a charter under which more than fifty percent (50%) of the students in the school corporation will attend a charter school, a governing body must receive the approval of the department.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-8**Notification of acceptance or rejection of proposal**

Sec. 8. A sponsor must notify an organizer who submits a proposal under section 3.2 of this chapter of:

- (1) the acceptance of the proposal; or
- (2) the rejection of the proposal;

not later than sixty (60) days after the organizer submits the proposal.

As added by P.L.100-2001, SEC.21. Amended by P.L.1-2002, SEC.80.

IC 20-5.5-3-9**Department notification; annual report**

Sec. 9. (a) A sponsor must notify the department of the following:

- (1) The receipt of a proposal.
- (2) The acceptance of a proposal.
- (3) The rejection of a proposal, including the reasons for the rejection.

(b) The department shall annually do the following:

- (1) Compile the information received under subsection (a) into a report.
- (2) Submit the report in an electronic format under IC 5-14-6 to the legislative council.

As added by P.L.100-2001, SEC.21. Amended by P.L.28-2004, SEC.148.

IC 20-5.5-3-10**Rejection of proposal**

Sec. 10. If a sponsor rejects a charter school proposal, the organizer may:

- (1) amend the charter school proposal and resubmit the proposal to the same sponsor;
- (2) submit a charter school proposal to another sponsor; or
- (3) appeal the decision to the charter school review panel created in section 11 of this chapter.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-3-11**Charter school review panel**

Sec. 11. (a) This section applies if the sponsor rejects a proposal.

(b) The organizer may appeal the decision of the sponsor to the charter school review panel created under subsection (c).

(c) The charter school review panel is created. The members of

the panel are:

- (1) the governor or the governor's designee;
- (2) the state superintendent of public instruction, who shall chair the panel;
- (3) a member of the board appointed by the state superintendent of public instruction;
- (4) a person with financial management experience appointed by the governor; and
- (5) a community leader with knowledge of charter school issues appointed jointly by the governor and the state superintendent of public instruction.

Members shall serve a two (2) year term and may be reappointed to the panel upon expiration of their terms.

(d) All decisions of the panel shall be determined by a majority vote of the panel's members.

(e) Upon the request of an organizer, the panel shall meet to consider the organizer's proposal and the sponsor's reasons for rejecting the proposal. The panel must allow the organizer and sponsor to participate in the meeting.

(f) After the panel meets under subsection (e), the panel shall make one (1) of the following three (3) findings and issue the finding to the organizer and the sponsor:

- (1) A finding that supports the sponsor's rejection of the proposal.
- (2) A finding that:
 - (A) recommends that the organizer amend the proposal; and
 - (B) specifies the changes to be made in the proposal if the organizer elects to amend the proposal.
- (3) A finding that approves the proposal.

The panel shall issue the finding not later than forty-five (45) days after the panel receives the request for review.

(g) If the panel makes a finding described in subsection (f)(1), the finding is final.

(h) If the panel makes a finding described in subsection (f)(2), the organizer may amend the proposal according to the panel's recommendations and resubmit the proposal directly to the panel.

(i) If the panel makes a finding described in subsection (f)(3), the proposal is considered conditionally approved. The approval shall be considered final upon the delivery to the panel of written notice from the organizer and an eligible sponsor, as identified in IC 20-5.5-1-15, that the sponsor has agreed to serve as a sponsor for the proposal approved by the panel.

(j) Proposals approved under this section shall not be counted under any numerical limits placed upon a sponsor or set of sponsors. *As added by P.L.100-2001, SEC.21. Amended by P.L.1-2002, SEC.81.*

IC 20-5.5-3-12

Monitoring number of schools approved by universities

Sec. 12. (a) The department shall monitor the number of charter

schools approved by universities.

(b) Within six (6) months after twenty (20) charter schools have been approved by universities, the department shall issue a report to the charter school review panel identifying:

- (1) the purpose and organization of all charter schools sponsored by universities;
- (2) the procedure by which charter schools have been approved and monitored by university sponsors; and
- (3) recommendations regarding the future of university sponsorships.

(c) The report completed under subsection (b) shall be submitted in an electronic format under IC 5-14-6 to the legislative council.

As added by P.L.100-2001, SEC.21. Amended by P.L.28-2004, SEC.149.

IC 20-5.5-3-13

University sponsors

Sec. 13. (a) This section applies to university sponsors.

(b) The ultimate responsibility for choosing to sponsor a charter school and responsibilities for maintaining sponsorship shall rest with the university's board of trustees.

(c) Notwithstanding subsection (b), the university's board of trustees may vote to assign sponsorship authority and sponsorship responsibilities to another person or entity that functions under the direction of the university's board. Any decisions made under this subsection shall be communicated in writing to the department of education and the charter school review panel.

(d) Before a university may sponsor a charter school, the university must conduct a public meeting with public notice in the county where the charter school will be located.

(e) A university may not sponsor a charter school in Marion County. This subsection expires June 30, 2005.

(f) The total number of charter schools that may be approved and opened in a calendar year by all university sponsors may not exceed five (5). This subsection expires June 30, 2005.

As added by P.L.100-2001, SEC.21. Amended by P.L.276-2003, SEC.6.

IC 20-5.5-3-14

Schools sponsored by mayors of consolidated cities

Sec. 14. (a) This section applies to charter schools sponsored by the mayor of a consolidated city.

(b) The number of charter schools may not be more than five (5) during the 2001 calendar year.

(c) During each year after calendar year 2001, the maximum number of charter schools is greater by five (5) than the maximum number for the previous year.

(d) The limits resulting from subsections (b) and (c) shall be cumulative from year to year. However, there shall be no accumulation from January 1, 2003, through December 31, 2005.

As added by P.L.100-2001, SEC.21. Amended by P.L.1-2002, SEC.82; P.L.276-2003, SEC.7.

IC 20-5.5-3-15

Service as organizer and sponsor prohibited

Sec. 15. Neither an entity nor multiple divisions of the same entity may serve simultaneously as both the organizer and the sponsor of the same charter school.

As added by P.L.100-2001, SEC.21. Amended by P.L.1-2002, SEC.83.